Financing Adaptation

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What is agreed about financing adaptation?

- New
- Additional
- Adequate
- Predictable
  Through new mechanisms
Five Easy Pieces Questions

• Who pays?
• For what?
• How much?
• How?
• To whom?
Five Easy Questions

• **Who pays?**
  – Mostly private and mostly SMEs

• **For what?**

• **How much?**

• **How?**

• **To whom?**
Five Easy Questions

• Who pays?
• **For what?**
  – Can we distinguish adaptation from development?
• How much?
• How?
• To whom?
Five Easy Questions

• Who pays?
• For what?
• **How much?**
• How?
• To whom?
<table>
<thead>
<tr>
<th>Study</th>
<th>Date released</th>
<th>Estimate US$ billions/ annum</th>
<th>Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various Academic</td>
<td>1990s on</td>
<td>Various</td>
<td>Usually sectoral and long term – e.g. end of century – and with widely differing assumptions</td>
</tr>
<tr>
<td>WB CEIF</td>
<td>Apr-06</td>
<td>4 – 8</td>
<td>Investment to ‘climate proof” ODA and concessional finance – near term</td>
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<td></td>
<td></td>
<td>9-41</td>
<td>As above but for all adaptation related activities in developing countries</td>
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<tr>
<td>Stern Review</td>
<td>Nov-06</td>
<td>1 - 4</td>
<td>Revision of CEIF estimates done in cooperation with WBG</td>
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<tr>
<td></td>
<td></td>
<td>4 - 37</td>
<td></td>
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<tr>
<td>IPCC</td>
<td>Apr-07</td>
<td>&gt;50</td>
<td>No new estimates, but argue that most studies show a high benefit-cost ratio for adaptive actions</td>
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<tr>
<td>Oxfam</td>
<td>May-07</td>
<td>80</td>
<td>Revision of CEIF calculations</td>
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<td>Costs (not annual) of immediate priorities similar to those in NAPAs applied to all developing countries</td>
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<tr>
<td>UNFCCC</td>
<td>Oct-07</td>
<td>28 - 67</td>
<td>Investment needs for adaptation activities in 2030 – all sectors, private and public</td>
</tr>
<tr>
<td>IDA Replenishment</td>
<td>Nov-07</td>
<td>0.6 - 1.9</td>
<td>Increment in IDA resources to offset the effects of climate change (6% to 21% based on Stern Review)</td>
</tr>
<tr>
<td>WB Economics of Adaptation</td>
<td>Oct-09</td>
<td>75 -- 100</td>
<td>A 2° warmer world in 2050. Based on comprehensive analysis by sector</td>
</tr>
<tr>
<td>IIED</td>
<td>Dec-09</td>
<td>Much more</td>
<td>Others failed to take into account loss of ecosystem services and to fully account for the adaptation deficit</td>
</tr>
</tbody>
</table>
Five Easy Questions

• Who pays?
• For what?
• **How much?**
  
  — Is it about getting the “numbers right” or getting the “right numbers”
• How?
• To whom?
It’s the adaptation deficit that most often dominates.
Five Easy Questions

• Who pays?
• For what?
• How much?
• How?
• To whom?
Financial Flows for Adaptation

Bilateral flows
  – How will ‘donor’ governments account for new and additional

Multilateral flows for ...

• Urgent Access
  – Mostly medium ($10s to low $100s millions)
  – e.g. Climate resilient recovery from disasters

• Direct Access
  – By whom?
  – Small, medium and large

• Climate resilient development
  – How to meet the “additional” requirement
  – Medium to large
Five Easy Questions

• Who pays?
• For what?
• How much?
• How?
• To whom?
  – Direct access but by whom?
  – NIEs, CSOs
Have we got it right?